

DIRECT TESTIMONY

OF

KEVIN R. KOCHEMS

ON BEHALF OF

SOUTH CAROLINA ELECTRIC & GAS COMPANY

DOCKET NO. 2017-305-E

DOCKET NO. 2017-207-E

Q. PLEASE STATE YOUR FULL NAME AND BUSINESS ADDRESS.

A. My name is Kevin R. Kochems. My business address is 220
Operation Way, Cayce, South Carolina.

**Q. HAVE YOU PREVIOUSLY SUBMITTED DIRECT TESTIMONY
RELATED TO THIS PROCEEDING?**

A. Yes, I have submitted pre-filed direct testimony in Docket No. 2017-
370-E, which has been consolidated for hearing purposes with these
dockets. Because this testimony addresses many of the issues raised here,
that pre-filed testimony is attached as Exhibit __ (KRK-1A) to this
testimony and incorporated by reference into my pre-filed direct testimony
in this docket.

**Q. WERE THERE EXHIBITS ATTACHED TO YOUR PRE-FILED
DIRECT TESTIMONY IN DOCKET NUMBER 2017-370-E?**

A. Yes. There were six exhibits to my pre-filed direct testimony in
Docket No. 2017-370-E. They are attached to my pre-filed direct

1 testimony in these Dockets as Exhibits __ (KRK-2A), __ (KRK-3A), __
2 (KRK-4A), __ (KRK-5A), __ (KRK-6A), and __ (KRK-7A).

3 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN DOCKET**
4 **NUMBER 2017-370-E?**

5 A. The purpose of that testimony is to present the schedule of costs for
6 the NND Project as it stands after abandonment of the Project. Those costs
7 are set forth in *Exhibit No. __ (KRK-2A)*, which is an updated schedule of
8 the capital costs associated with the Project that were incurred as of
9 December 31, 2017, net of costs associated with those aspects of the Project
10 that are being (or have been) placed in service.¹ This is an updated version
11 of the schedule that was attached to the Joint Petition in Docket No. 2017-
12 370-E as Exhibit No. 13. No additional capital costs are anticipated to be
13 incurred as Project costs after December 31, 2017. However, adjustments
14 are being made as abandonment transactions are finalized and as the costs
15 incurred for construction activities prior to December 31, 2017 are
16 finalized. This will be the final cost schedule for the Project subject only to
17 corrections and adjustments as mentioned above.

18 The testimony discusses certain of the non-tax related accounting
19 adjustments that are required to implement the regulatory proposals set
20 forth in the Joint Petition and in the Company's prefiled testimony before
21 the Commission in Docket No. 2017-370-E. The testimony also describes

¹ All costs are SCE&G's 55% portion of the capital cost of the NND Project unless otherwise stated.

1 certain of the commercial steps SCE&G undertook while the NND Project
2 was ongoing to motivate Westinghouse Electric Company, LLC
3 (“Westinghouse”) and its consortium partner to improve productivity and
4 construction efficiency at the site.

5 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

6 A. Yes, it does.